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Department of Finance  
Legislative Advisory Committee Recommendations

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<b>Department/Agency</b> Public Welfare/Mental Retardation Division		<b>Date</b> January 28,
<b>Title</b> Plan for Expenditure of Contingent Appropriation for Implementation of HOME and Community Based Waiver	<b>Amount Requested</b> FY 84--\$50,000	<b>No. Personnel Req.</b> 15.0
<p><u>Summary of Request:</u> Out of its \$300,000 special contingent appropriation for the implementation of the medical assistance waiver for home and community-based services for mentally retarded persons, the department is requesting \$50,000 for FY 84. This amount, along with \$100,000 already appropriated and federal matching funds, is to be used to provide 15 positions and equipment to develop and manage the waiver program, to provide technical assistance in case management and in the development of community-based alternatives to ICF-MR care, and to develop the required information systems.</p> <p><u>Brief Background:</u> The appropriation is contingent upon (1) the governor's approval after consultation with the Legislative Advisory Commission; and (2) the submission of a plan that covers the use of requested staff, the specification of administrative costs, and the methods and costs of developing, maintaining, and operating an information system integrated with CSIS and MMIS. If the waiver should not be approved by June 30, 1984, permission to use the funds is withdrawn and related legislation will be automatically repealed.</p> <p><u>Analysis (Options):</u> The department has complied with the legislature's requirements for release of the appropriation. The governor and the LAC should examine the request as written.</p> <p>The department projects 75 percent federal participation for 13 positions, and 50 percent for the other 2.0 positions and all other administrative costs. The funds requested are state share only. A separate account is to be established for the federal share. The positions requested should reflect the split-funding approach. For salary and travel, the state share for the first full year is 30 percent, or 4.3 positions; the federal share is 70 percent, or 10.7 positions.</p> <p><u>Option --</u> Grant the request as written. Probable result: Waiver will probably be approved and legislative requirements will likely be fulfilled. Total administrative costs may be higher than optimum, but it appears that this plan could result in ongoing federal participation in administrative cost near 70%. Opposition from some county boards is likely, because of the degree to which the state is getting involved in decisions traditionally theirs. But the law has passed already, and it maximized the change to overcoming the difficulties in coordination of services across county lines. Support from county case managers appears likely.</p>		
<b>Recommendation:</b>	<b>Dollar Amount</b> \$50,000	<b>No. of Positions</b> State 4.3 Fed 10.7
Release the funds as requested, but modify the request for positions to reflect the split federal and state funding.		
<div style="text-align: right; margin-right: 50px;"><b>Controller's Signature</b></div>		

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## Legislative Advisory Commission Request

NOTE: See Instructions on reverse side before filling out this form

Department Agency Program Activity		Date	
Public Welfare/Mental Retardation Division		December 9, 1983	
Title of Request: Plan for Expenditure of Contingent Appropriation for Implementation of Home and Community Based Waiver		Amount Requested F.Y. 84 - \$50,000	Number of Personnel Requested 15
From: (APID Number)	APID - Title Special Contingent	F.Y. 84	Legal Reference 83-312
To: (APID Number) 5000-04-10	APID - Title Mental Health Support	F.Y. 84	Legal Reference 83-312
Type of Request (check one) <input type="checkbox"/> Emergency Request — State Funds and Positions <input type="checkbox"/> Federal Grant Approval <input checked="" type="checkbox"/> Other LAC Action			
<b>Brief Summary of Request:</b> See reverse side for content. Summary must be complete on this page with supporting information attached (if necessary). Pursuant to Laws of 1983 Chapter 312, Article 1, Section 10 and Article 9, Section 10, the Department is submitting the attached plan addressing staff functions, administrative costs, and information system operations for implementation of the Home and Community Based Waiver under United States Code, Title 42, Section 1396n(c).  The Department requests the release of the contingent appropriation of \$50,000 in F.Y. 84. The Department will submit a request for release of the remaining contingent appropriation (\$250,000) to the LAC at its June 1984 meetings.  <b>Nature of the Emergency/Problem:</b> This request is required by Minnesota Statute Chapter 312, Article 9, Sections 1 through 10. This legislation requires the Department to seek a Home and Community-Based Waiver under Section 1915(c) of the federal Medical Assistance Program. This legislation signals a dramatic shift in the scope and design of programs and services for the mentally retarded in Minnesota. It is consistent with the congressional initiative to contain costs in the Medicaid program nationally while improving the manner in which services are delivered by reducing reliance on long term care settings.  The request follows in format the legislative directive in Section 10(a) and (b), (1) through (10) of Chapter 312.  <b>Alternatives Considered:</b> <i>Revised Request to be submitted 12/16/83</i>			
I certify that this request for funds has not previously been considered by either the House Appropriations, or Senate Finance Committee, and that the request is submitted in accordance with the guidelines and instructions on the reverse side.			
Department Head Signature <i>James E. Johnson</i>		Date 12/9/83	

## INTRODUCTION

In its action on the FY 1984 budget, the Legislature passed Chapter 312 Article 1, Section 10 which authorized a contingent biennial appropriation of \$300,000 for use by the Commissioner of the Department of Public Welfare to match federal money from the Medicaid Home and Community-Based Waiver for costs to establish a client tracking and evaluation system and for positions to administer the new program. Specifically with regard to staff positions, the Legislation states in Chapter 312, Article 9, Section 10(a).

Up to 15 line item positions are authorized for the implementation of provisions of the case management plan, the home and community-based services program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community-based alternatives, and management of the mental retardation medical assistance program.

The Legislature also appropriated \$100,000 to the Department for initial implementation of this program by the Mental Retardation Division. The Division has made substantial progress in the initial phase of implementation:

1. A new organizational structure has been developed to better manage the total system - including the waiver, the Division is under the supervision of a new Acting Director, three new staff have been hired and position descriptions for remaining staff are in draft form.
2. The Division with the assistance of other Bureaus has completed a new rule and billing process for the conversion of Developmental Achievement Center funding from CSSA to Medical Assistance for residents of Intermediate Care Facilities for the Mentally Retarded ICF/MR.
3. The home and community-based waiver application (Appendix A) is in the final stage of development and will be submitted to the U.S. Department of Health and Human Services in early January, and all indications are that it will be approved. The home and community-based waiver will facilitate the development of a broad array of home and community-based services as alternatives to state hospital and community ICF/MR levels of care. The waiver application projects the provision of these services to approximately 1,650 mentally retarded persons over a three year period (FY 1985 - FY 1987).

The provisions of Section 10, including the development of new rules, state hospital admission criteria, and county utilization targets will enable the Department to manage effectively the waiver program on a statewide basis.

The release of the remaining \$300,000 is contingent upon the approval of the Governor, after consultation with the Legislative Advisory Commission, and the submission of a plan prepared by the Commissioner. The remainder of this document describes the plan requested in Article 9, Section 10 as follows:

- I. The organization, development and responsibilities of requested staff.
- II. Specification of all the administrative costs associated with the program; and

III. How the information system will be integrated into the community services information system, the Medicaid management information system, and any other data processing operations of the Department, and:

- A. The methods for implementing the system; and
- B. The projected costs for the maintenance and operation of the system.

I. THE ORGANIZATION, DEVELOPMENT AND RESPONSIBILITIES OF REQUESTED STAFF:

The 15 positions will be allocated to each division as follows:

Mental Retardation Division	13
Mental Health Bureau	
Health Care Program Division	1
Income Maintenance	
Systems and Data Flow Division	<u>1</u>
Support Services Bureau	15

The Department proposes to fund these positions through a combination of state funds via the contingent appropriation and matching federal funds.

The attached organization chart (Appendix B) for the Mental Retardation Program Division divides the proposed staff into three sections. The first section includes the Division's Director and Associate Director, a management coordinator, and clerical support. The second section, under the supervision of the Assistant Director for Community and Case Management, will include both centrally and regionally based staff, working on the day-to-day community implementation of client screening systems, service development and monitoring, training, and technical assistance to counties. The third section, under the supervision of the Assistant Director for Planning and Resource Management, will include Central Office staff managing and analyzing the policy and fiscal implications of service development and provision. This section will: (1) manage the client tracking and evaluation system; (2) evaluate proposals for waived services; (3) conduct fiscal analyses and develop reports on the status of waived services; (4) develop rate-setting mechanisms and funding rules; (5) administer the semi-independent living and family subsidy programs; (6) carry out the Commissioner's responsibilities for determination and rede termination of need for services; (7) assist in the management of the Medicaid funding of developmental achievement services; and (8) coordinate policies and systems with the Health Care Programs and Systems and Data Flow Divisions and others as required.

The 13 positions in the Mental Retardation Program Division are described below.

Assistant Director, Community and Case Management (one position)

The Assistant Director for Community and Case Management will: (1) be responsible for the overall management of this section; (2) serve as principal liaison between the state and county boards of commissioners in the implementation of the Medicaid Home and Community-Based Waiver program that will affect approximately 1,650 mentally retarded individuals between FY 85 and FY 87, and (3) coordinate technical assistance and training to counties and providers in the development of proposals for a broad array of new waived services as alternatives to ICF/MR level of care.

Supervisor of Community Services (one position)

The Supervisor of Community Services will be responsible for supervision of the client screening function, service consultation in the care, treatment and training of the mentally retarded throughout the state, and supervision

of the eight regional service specialists. The person will be responsible for assuring that the screening functions and the routine types and levels of care provided are appropriately carried out, the authorization of services paid under Medicaid are made, and consultation to the counties in service assessment, development, provision, and evaluation is provided according to county needs.

Regional Service Specialists (eight positions)

The Regional Service Specialist (RSS) will participate as a member on the county-based screening team which will determine whether a mentally retarded person is at risk of placement in an Intermediate Care Facility for the Mentally Retarded (ICF/MR) and/or could be provided alternative waived services. The team will recommend services and the RSS will authorize payment for applicable services under Medicaid. The RSS will monitor the overall costs and utilization of services for mentally retarded clients on a county-by-county basis. The RSS will also provide technical assistance to the counties in planning for and developing residential, day, and support services in the community, and facilitate multi-county coordination of mental retardation services where appropriate.

Each RSS will be assigned to one of eight multi-county service areas. Five of the service specialists will be based out-state where they will be officed, to the maximum extent possible, in existing county, state hospital, or state agency space.

Supervisor, Case Development and Management Training (one position)

The supervisor for Case Management Training will: (1) develop standards for case management, (2) train county personnel and providers in implementation of new waived services, (3) train staff in the Licensing Division of the Support Services Bureau on new rules and standards governing waived services, and (4) provide technical assistance through the Regional Services Specialists, to counties in case management procedures and processes.

Assistant Trainer (one position)

The principal task of this position is to assist the supervisor of case Management Training in developing and conducting workshops for the various groups involved in the MR service system.

Assistant Director, Planning, and Resource Management (one position)

The principal responsibilities and tasks for the Assistant Director for Planning and Resource Management are the overall administration of this section and securing federal approval of a Medicaid Home and Community-Based Waiver. Upon securing that approval, the Assistant Director will monitor service utilization and fiscal management of all services delivered to the mentally retarded under Department funds, and will develop policies, procedures and rules for waiver implementation.

The two remaining positions are requested for assignment to two other Bureaus. These positions will also be funded with a combination of state and matching federal funds:

Medical Assistance/Mental Retardation Services Coordinator (one position);  
Bureau of Income Maintenance, Health Care Programs Division

The principal responsibilities and tasks of the Medical Assistance/Mental Retardation Services Coordinator will be to: (1) ensure that the conversion of the funding of developmental achievement center services is consistent with the Medical Assistance Program, (2) provide Medical Assistance policy expertise to the Mental Retardation Program Division in preparation of the waiver and in all subsequent activities related to delivery of Medical Assistance services, and (3) assist counties and providers in understanding and implementing new policy directives.

Medical Assistance Systems Analyst (one position); Bureau of Support Services, Systems and Data Flow Division.

The principal responsibilities and tasks of the Medical Assistance Systems Analyst will be to accomplish the systems modifications necessary to integrate billing and payment for waived services by: (1) performing the requisite technical analysis, and (2) designing and detailing computer specifications to integrate the processing of claims for the waived services into the MMIS payment system.

A consultant budget has been identified to assist the state in service model design since the waiver is totally new to Minnesota. The intention is to draw upon expertise from other states that have successfully implemented a home and community-based waiver for the mentally retarded. It is also expected that systems expertise may be needed to integrate the various information systems to maximize their existing and potential capabilities.

For a detailed description of personnel classification and costs, see Appendix C.

## II. SPECIFICATION OF ALL THE ADMINISTRATIVE COSTS ASSOCIATED WITH THE PROGRAM

The attached budget was developed based upon the maximum utilization of Federal Financial Participation (FFP). Two points about the budget need to be noted:

- (1) In the past, the Department has experienced delays in the receipt of federal funds; normal reimbursement lags can be as much as three months. Given this potential problem, the budget below contains a contingency fund that was generated by estimating a federal reimbursement lag of one month after expenditures.
- (2) The FY 1984 budget figures include the \$100,000 already appropriated for the Department's FY 1984 budget for the purpose of developing and securing the Home and Community-Based Waiver and refinancing developmental achievement services. Thus, the Department is requesting release of only \$50,000 additional dollars in FY 1984.

### PROJECTED COSTS FOR THE MR/MA ADMINISTRATIVE ACCOUNT IN FY 1984<sup>1</sup>

(In thousands of dollars)

	Total Costs	Federal Costs	State Costs
1. Personnel	\$259.8	\$180.0	\$ 79.8
2. Data Processing	45.0	22.5	22.5
3. Travel	16.0	11.0	5.0
4. Equipment	13.1	6.5	6.6
5. Consultant Services	13.4	6.7	6.7
6. Other (supplies, printing, communication, etc.)	12.7	6.4	6.3
7. Contingency fund	-	-	23.1
8. Total	\$360.0	\$233.1	\$150.0

<sup>1</sup> The federal and state financial participations for this budget has been projected based on receiving 75 percent federal financial participation (FFP) on thirteen (13) staff persons and their travel costs, and 50 percent FFP on two (2) staff persons and their travel costs. Data processing equipment, material, development, and implementation were projected at 50 percent FFP.



PROJECTED COSTS FOR THE MR/MA ADMINISTRATIVE ACCOUNT IN FY 1985<sup>2</sup>

(In thousands of dollars)

	Total Costs	Federal Costs	State Costs
1. Personnel	\$565.5	\$403.1	\$162.4
2. Data Processing	10.0	5.0	5.0
3. Travel	46.5	34.9	11.6
4. Equipment	5.0	2.5	2.5
5. Consultant Services	13.0	6.5	6.5
6. Other (supplies, printing, communication, etc.)	24.0	12.0	12.0
7. Contingency fund	-	-	50.0
8. Total	\$664.0	\$464.0	\$250.0

<sup>2</sup> Personnel costs were inflated 4.5 percent over FY 1984, and all other costs were inflated at 5 percent over FY 1984 administration.

III. How the information system will be integrated into the Community Services Information System (CSIS), the Medicaid Management Information System (MMIS), and any other data processing operations of the Department.

Purpose of the Proposed Information System

The Mental Retardation Division is charged with the management of programs and services to mentally retarded clients in both long-term care and community-based settings. To accomplish this, the Division will need timely and accurate information on clients and costs to plan and monitor client movement, program development, and utilization and budget expenditures. The Department is proposing to meet these needs by relying on CSIS and MMIS (described under "Present Information Systems", p.8) for three basic information processing functions, and developing a separate Division-based system for a fourth function. The chart below illustrates this functional breakdown:

Function	Integrate with CSIS and/or MMIS	Proposed Mental Retardation System
1. Payment of providers	X	
2. Client financial information and waiver eligibility	X	
3. Client service record and tracking	X	
4. Service resource inventory including information and referral*		X

The system proposed for the Mental Retardation Division is relatively inexpensive, small, with little software development needed. It will not usurp existing information systems and will be the responsibility of state personnel to maintain as described in Section III (A).

Integration with CSIS and MMIS

As previously stated in Section I, one of the 15 proposed positions will be allocated to the Systems and Data Flow Division to integrate the billing and payment of waived services into the MMIS. Any associated system modification costs will be absorbed by the Systems and Data Flow Division.

CSIS will be modified to communicate with MMIS by adding a common identifier (the Medical Assistance ID number) so that clients receiving services under Medical Assistance waivers may be monitored and tracked. This will be a relatively minor change since such an enhancement was anticipated in the original design. CSIS will also be enhanced to store additional information gathered through the assessment and screening process required for clients to receive waived services.

\*Office functions will also be provided by this system to reduce support staff needs.

It is intended that the modifications of both the MMIS and CSIS for waived services for the mentally retarded will also accommodate the needs of any other waived services programs currently in existence or under consideration.

It is the Department's intention to have all affected bureaus work in concert to achieve these necessary modifications of MMIS and CSIS. The Mental Retardation Division is committed to minimizing requirements for new information from counties on mentally retarded clients, and, in fact, to providing new information generated by the Division to the counties on service availability.

The remainder of this section will discuss the small, Division-based information system that will store that resource information and also perform office functions.

A. The Methods for Implementing the System for the Mental Retardation Division

Equipment - The proposed information system will be operated as a part of office automation that will be capable of word processing and communications, as well as the management of the information files. It will use a central office microcomputer (or personal computer), and nine transportable computer systems for field staff. The request also covers software and supplies for full office functions of the field staff. Upon authorization, all equipment except the field unit can be ordered off a state contract. Most software needed is available commercially. This "system" will supplement the existing state systems in those functions not currently possible. As the existing systems become capable of performing these new functions, the micro applications will be phased out. The automated office functions that will continue are considered sufficient justification for the relatively small state expenditure (\$22,500 in FY 84 and \$5,000 in FY 85).

A Central Office unit will be installed as soon as authorization is final. A field unit will be obtained soon thereafter and a three-month training period for the Central Office staff and for state field unit personnel (regional service specialists) will commence when the information system is fully in operation. Proficiency in use can be obtained in as little as one day's training.

The Central Office unit and one field unit will be located in the office of the Mental Retardation Division; each of eight regions will have a field unit with its exact location subject to daily change.

Input, analysis and retrieval of information will be handled solely by state personnel.

B. The Projected Costs for the Maintenance and Operation of the System for the Mental Retardation Division

The total costs for data processing are shown in Section II. These costs include the projected purchase, maintenance and operation of the

proposed system and the projected costs of special reports from the MMIS. All of these costs are potentially eligible for 50% federal financial participation summarized below:

	Federal Cost	FY 84 State Cost	Total Cost
Central Office Equipment	\$ 2,750	\$ 2,750	\$ 5,500
Software and Supplies	4,350	4,350	8,700
Field Unit Equipment	12,900	12,900	25,800
Special MMIS Reports	<u>2,500</u>	<u>2,500</u>	<u>5,000</u>
	<u>\$22,500</u>	<u>\$22,500</u>	<u>\$45,000</u>

	Federal Cost	FY 85 State Cost	Total Cost
Maintenance of System	\$2,500	\$2,500	\$ 5,000
Special MMIS Reports	<u>2,500</u>	<u>2,500</u>	<u>5,000</u>
	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$10,000</u>

#### Present Information Systems

The Community Services Information System (CSIS) and the Medicaid Management Information System (MMIS) are the two state-managed systems which have direct impact on both long-term care (ICF/MR) and waived services programs.

#### MMIS

The Minnesota Medicaid Management Information system (MMIS) is a federally approved implementation of the General Systems Design (GSD) requirements for a Certified MMIS. The MMIS supports the administration of the medical services programs of the Department of Public Welfare, including the processing of payment to providers. Medical services for many persons in the mental retardation service system are currently paid through the MMIS. The Client Eligibility subsystem of the MMIS supports the medical eligibility functions of county financial workers and records considerable data pertaining to eligibility for the medical service programs. All persons who are eligible for Medicaid services (including waived services) will be entered on this system by county financial eligibility staff.

#### CSIS

The Community Services Information System (CSIS) is a social service management information system developed by the Department of Public Welfare in partnership with county social service agencies. It has been voluntarily implemented in 72 counties. CSIS contains information on client demographics, staff provided and purchased services, and service delivery costs. The system performs a broad range of functions at the county level such as providing reports for case and staff supervision and management, planning and budgeting. In encumbers funds and pays for purchased services. CSIS meets nearly all state and federal reporting requirements for both

client and financial data. It is the standard against which all county management information systems are measured; that is, counties not using CSIS are held to the same standard of information contained in CSIS. Information from county management informations systems (CSIS as well as non-CSIS) is transmitted to the state agency in a standard format, so that data can be analyzed and compared on a statewide basis.

LJ/me

PERSONNEL COSTS IN FY 1984

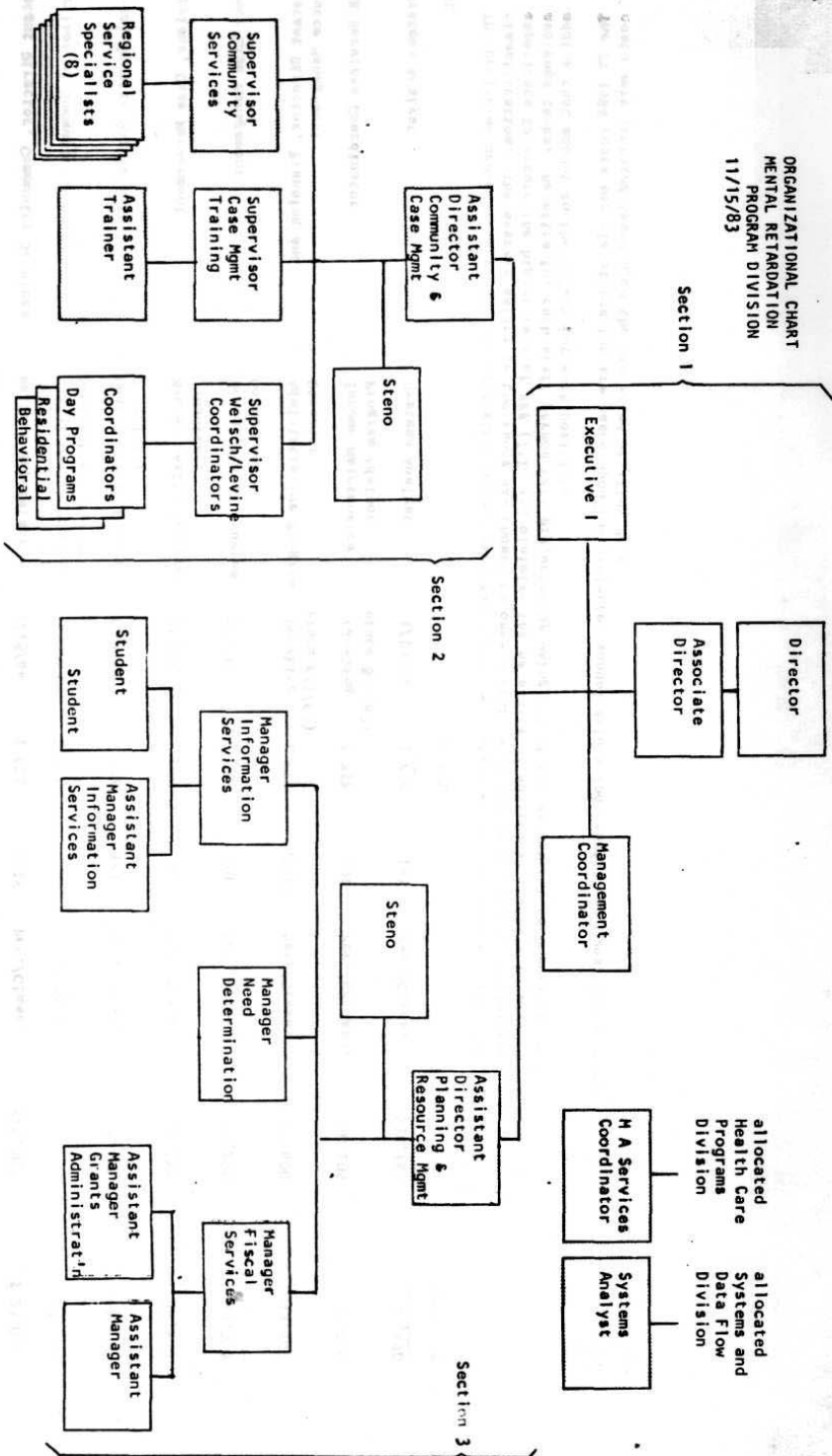
MR/MA ADMINISTRATIVE ACCOUNT

JOB TITLE	CLASSIFICATION	PROJECTED START DATE	NUMBER OF POSITIONS	SALARY SCHEDULE	TYPE OF POSITION	1 PROJECTED ANNUAL SALARY & BENEFITS PER POSITION	2 PROJECTED FY 84 COSTS PER CLASSIFICATION
1. Assistant Director, Community Services	Welfare Supervisor	1/15/84	1 PTE	23IS	Per./Class.	\$48,000	\$ 24,000
2. Supervisor of Community Services	Mental Health Program Administration Supv.	1/15/84	1 PTE	21IS	Per./Class.	39,376	19,700
3. Regional Service Specialists	Mental Health Program Consultant	2/15/84	8 PTE	14I	Per./Class.	34,765	104,600
4. Supervisor, Case Management	Mental Health Program Consultant	2/1/84	1 PTE	14I	Per./Class.	34,765	14,600
5. Trainer Case Management	Mental Health Program Consultant	3/1/84	1 PTE	10I	Per./Class.	30,205	10,000
6. Assistant Director, Planning and Resource Management	Administrative Program Director	(working since 8/1/83)	1 PTE	23IS	Per./Class.	45,600	\$41,800
7. MA/MR Services Coordinator	Income Maintenance Program Advisor	(working since 8/1/83)	1 PTE	10I	Per./Unclass.	30,205	27,700
8. MA Systems Analyst	Systems Analyst	1/15/84	1 PTE	14I	Per./Class.	\$34,765	17,400
TOTAL			15 PTE				\$259,800

1. The projected annual salary cost for each staff person was based upon the average salary in the range for that classification. The average salary in the range was chosen to obtain staff with sufficient qualifications and experience to secure the higher rate of FPP (75%) and minimize the necessity of additional training to perform assigned tasks. Benefits for each staff person were projected by using 20% of the salary for each position and adding that amount to the salary for each position.

2. The FY 1984 costs per classification are based upon the projected annual salary and benefits per position as these costs were prorated based upon the projected starting date.

ORGANIZATIONAL CHART  
MENTAL RETARDATION  
PROGRAM DIVISION  
11/15/83



Note: The shaded positions are those requested of the LAC.